

March 11, 2014

The Honorable Senator Leone
The Honorable Representative Tong
Co-Chairmen, Joint Committee on Banks
Legislative Office Building, Room 2400
Capitol Avenue
Hartford, Connecticut 06106

HB 5514 AN ACT CONCERNING AN OPTIONAL METHOD OF FORECLOSURE.

Senator Leone, Representative Tong and Members of the Banks Committee:

Thank you for this opportunity to testify on behalf of Connecticut's 119 credit unions, providing comments on HB 5514.

Credit unions are not-for-profit financial cooperatives, owned by and in existence only to serve our members. Credit unions do not issue stock or pay dividends to outside stockholders. Instead, earnings are returned to our members, generally in the form of lower loan rates, higher deposit rates, and lower or no fees. Credit unions are democratically controlled, with every member having equal voting rights and volunteer boards of directors elected from the membership providing leadership. In addition to providing a full suite of financial products and services to members, operating principles compel us to educate our members and participate directly in the communities we serve.

The credit union industry supports proactively assisting members in holding on to their homes and goes to great lengths to work with members to ensure that is possible. Credit unions' motto is, "people helping people," and credit unions live this by first providing only affordable (not sub-prime) mortgages, then working alongside any member experiencing difficulty making payments to find a solution. On the rare occasion when foreclosure becomes inevitable, credit unions work toward a fair resolution for all involved parties.

This bill looks to expedite the foreclosure process by providing for an additional option for both the mortgagor and mortgagee. Credit unions support the idea of helping all parties involved in the foreclosure process to come to a timely and fair resolution. We would oppose any measures that would add unnecessary levels of mandated bureaucracy or prescribe certain actions that may hinder the processes already used by credit unions as they diligently work to help members stay in their homes and follow a path to long-term financial stability.

Thank you very much for your time and consideration.

Jill Nowacki
President & CEO
The Credit Union League of Connecticut